



August 31, 2005

Chairman Ron Jones
C/O Charla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

**RE: CenturyTel of Adamsville, Inc.
TRA Docket No. 05-00235**

Dear Mr. Jones:

Pursuant to state law Tennessee Code Annotated 65-7-222, CenturyTel of Adamsville, Inc. is required to revise its business rates effective October 1, 2005 to reflect the actual tax equity payment received in 2005.

As reflected in the supporting calculations, CenturyTel of Adamsville, Inc. has a shortfall and will not flow through its estimated net tax savings to business customers and instead will offset the shortfall. As a result, there are no tariff changes to file.

If you have any questions, please contact me at (318) 362-1538.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Buchan", with a long, horizontal flourish extending to the right.

Ken Buchan
Manager – Regulatory Finance
Enclosures

cc Chantel Mosby

CenturyTel Tennessee Telephone Companies
Property Tax Calculation - Net Pass Through Amount
4th Price Adjustment Effective October 1, 2005

Ln.	Description	Adamsville	Claiborne	Ooltewah-Collegedale	Amount	Comments
1	Equity Payment Received - June 29, 2003	\$ 61,790	\$ 58,039	\$ 63,733	\$ 183,561	See OSAP 6/29/03 letter and worksheet Reflects 15 months of sales tax collections
2	Part 36/69 Interstate revenue requirement reduction ** (June 2002 through May 2003)	17,882	15,549	22,319	\$ 55,750	Effect of Interstate jurisdictional separations - June 2002 Through May 2003
3	Net Amt to Flow Through (L1 - L2)	43,908	42,490	41,413	\$ 127,812	See 1st price adjustment Interstate revenue impact (per company worksheet)
4	1st Price Adjustment - 21 month amount January 1, 2002 Through September 30, 2003	80,187	83,136	50,568	\$ 213,891	Ln 1 amt Reflected from 1/1/02 - 10/1/03 (21mths) Reflects cumulative amount actually passed through in price adjustments
5	Net Pass Through Amount For Oct 1, 2003 Through Sept 30, 2004	\$ (1,153)	\$ (6,653)	\$ 23,976	\$ 16,170	Estimated Tax Payment Less Part 36/69 Interstate Costs Less True-up
6	Total Flow Thru	\$ 79,034	\$ 76,483	\$ 74,544	\$ 230,061	
7	Shortfall	\$ (35,126 09)	\$ (33,992 86)	\$ (33,130 52)	\$ (102,249 47)	
8	Total Equity Payment Received June 21, 2004	\$ 59,021	\$ 60,782	\$ 59,830	\$ 179,633	See copies of Attached Checks
9	Part 36/69 Interstate impact, 6/03 - 5/04 - (L8 * separation factor) ##	17,084	16,253	20,916	\$ 54,253	See Interstate Part 36/69 Study or use 25% (Interstate)/ 75% (State) separation split Need to provide cost study factor development page if used
10	Impact to USF support, if applicable (include supporting calculations)	34,551	35,726	28,853	\$ 99,130	Reflects reduction in Interstate revenue from lower property amt on Co books See attached supporting calculations
11	Net Tax Savings to Company to be flowed through to business customers (L8-L9-L10)	\$ 7,387	\$ 8,803	\$ 10,061	\$ 26,250	
12	Shortfall through 9-30-04 (L7+L11)	\$ (27,739 56)	\$ (25,190 00)	\$ (23,069 91)	\$ (75,999 47)	
13	Proposed Annual Flow Thru Oct. 1, 2004 - September 30, 2005	0	0	0	0	
14	Total Equity Payment Received July 15, 2005	\$ 55,127	\$ 54,966	\$ 52,463	\$ 162,555	See copies of Attached Checks
15	Part 36/69 Interstate impact, 6/04 - 5/05 - (L14 * separation factor) ##	15,944	14,294	18,276	\$ 48,514	See Interstate Part 36/69 Study or use 25% (Interstate)/ 75% (State) separation split Need to provide cost study factor development page if used
16	Impact to USF support, if applicable (include supporting calculations)	32,260	32,483	25,543	\$ 90,286	Reflects reduction in Interstate revenue from lower property amt on Co books See attached supporting calculations
17	Net Tax Savings to Company to be flowed through to business customers (L14-L15-L16)	\$ 6,923	\$ 8,189	\$ 8,644	\$ 23,756	
18	Shortfall through 9-30-05 (L12+L17)	\$ (20,816 47)	\$ (17,000 75)	\$ (14,426 09)	\$ (52,243 31)	
19	Proposed Annual Flow Thru Oct. 1, 2005 - September 30, 2006	0	0	0	0	

Property Taxes are allocated based on Plant in Service in the Separation study Below are the updated
 ## INTERSTATE factors based on the 2004 cost study

T033 Claiborne 28 0044%

T085 Adamsville 28 9221%

T119 Ooltewah-Collegedale 34 8384%

CenturyTel of Adamsville (T085)

8/31/05 11 18 AM

2005 Tennessee Tax Reduction

G \REG_ANA\Tennessee\Property Tax Pass Through\[tennessee tax reduction xls]T085

1	Total Equity Payment Received June/July 2005	\$55,127.00
2	Jurisdictional Separations Impact (part 36/69) Line 1 • separations factor	(\$15,944)
3	Impact to USF support, if applicable (include supporting calculations) (note: USF impact calculated using \$240 00 NACPL)	(\$32,260)
4	Net Tax Savings to Company to be flowed through business customers (Line 1 less lines 2 and 3)	<hr/> \$6,923